

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016 / 2017

DBL5028 – COMPANY LAW

(For Diploma Students Only)

03 MARCH 2017
03.00 p.m – 05.00 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 2 pages with 4 questions.
2. Answer all questions.
3. You are required to cite sections and case laws where relevant.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

- a) Briefly explain the principle of separate legal entity based on the case of *Salomon V Salomon & Co. (1897)*.

(10 marks)

- b) Kimchi Sdn.Bhd has been formed by Ejaz and Warda on April 2014. Both of them are the only shareholders and directors of the company. Their company has a very good profit for the past few years. However, on June 2016 Warda died due to car accident leaving Ejaz as the only shareholder of the company. After the incident, the company profit has dropped tremendously and the company suffered major lost. Thus, 8 months later Ejaz has made a loan with CIC Bank to help the company to cover the lost. However, the company was unable to pay debt to the bank. Ejaz also failed to find new shareholder even after Warda passed away.

Advise CIC Bank on whether they can sue Ejaz personally when Kimchi Sdn. Bhd failed to pay their debt.

(15 marks)

[Total : 25 Marks]

QUESTION 2

- a) Sole proprietorship is one man business for himself. Explain the advantages and disadvantages of sole proprietorship.

(10 marks)

- b) Explain any (5) FIVE differences between a sole proprietorship and a partnership.

(15 marks)

[Total : 25 Marks]

QUESTION 3

Directors are the person in whom the management of the company is entrusted.

- a) Define all (5) FIVE types of director.

(10 marks)

- b) List down the following:

i. Any (2) TWO director's statutory duties.

(2 marks)

ii. All (3) THREE remedies for breach of director's fiduciary duties.

(3 marks)

Continued...

- c) Oren is a well-known businessman in Malaysia. Due to his good reputation in business, Anggur wants him to join Fasola Sdn. Bhd. as one of the directors. However, it was discovered that Oren was convicted for dishonesty in 2004.

As a legal advisor to Fasola Sdn. Bhd, advise them whether Oren still has the qualification to become the company's director.

(10 marks)

[Total : 25 Marks]

QUESTION 4

Winding up is a process by which a company is dissolved, the business is closed down, its assets are sold off, the creditors are paid and the balance of the assets is distributed to the members.

- a) List down all **(5) FIVE** parties who may apply for compulsory winding up under Section 217 of the Companies Act 1965.

(5 marks)

- b) Explain in detail the powers of liquidator.

(12 marks)

- c) State the effects of winding up to the company's employees.

(4 marks)

- d) List down all **(4) FOUR** special protections provided by law that protect those who have invested in or has dealings with the company during liquidation.

(4 marks)

[Total : 25 Marks]